

## PURPOSE

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To assist elderly or disabled, low-income homeowners with making repairs due to situations that pose a health and safety risk.

Examples include, but are not limited to:

- Damaged or leaking roofs, eaves and siding
- Broken doors or windows
- Broken plumbing or heating systems
- Lead paint and asbestos removal
- unsafe porches and decks
- unsafe flooring
- damaged walls and ceilings

## SOURCE OF FUNDS

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Home Investment Partnerships ("HOME")

## ELIGIBLE PROPERTIES

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- Property must be located within the City limits of Raleigh
- Property must be presently occupied by a homeowner that earns at or below 50% of the area median income, adjusted for household size, (see Maximum Qualifying Income section below) who is 62 or older or disabled
- Property must be the owner's principal residence upon completion of the project
- Property shall not be located within a right-of-way of any future street or highway or any other public improvements that are being planned within a reasonably foreseeable time frame.
- Property must be either:  
A single-family home, individual townhome unit, or individual condo unit. In the case of condo and townhome units the rehabilitation would be for the borrower's unit only and the rest of the structure must meet required property standards.

OR

- A duplex (2 single family units within one structure), triplex (3 single family units within one structure), or quadplex (4 single family units within one structure) The complete multi-family structure must be purchased by the borrower and non-owner occupied units must be rented to qualified moderate to low income individuals and families at affordable prices. (For guidelines contact the Community Development office)
- Property must have one or more substandard conditions suitable for rehabilitation. A property may be considered not suitable for rehabilitation if it is dilapidated or deteriorated beyond feasible economic repair.

## ELIGIBLE COSTS

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- The costs of labor and materials necessary to make the repairs to meet required property standards (i.e. the alteration, improvement or modification of an existing structure. Rehabilitation may include adding rooms outside the existing walls of a structure, but adding a housing unit is considered new construction).
- The associated soft costs (i.e. closing costs, appraisals, fees, etc.)

## MAXIMUM QUALIFYING INCOME

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\* Maximum income amounts change each year, the chart below is for 2012

number of people in the household	total household income	number of people in the household	total household income
1 person	\$28,000	5 people	\$43,150
2 people	\$32,000	6 people	\$46,350
3 people	\$36,000	7 people	\$49,550
4 people	\$39,950	8 people	\$52,750

## LOAN DESCRIPTION

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- Loan Amount: Up to \$35,000 but at least \$1,000
- Deferred, non-interest bearing loan that is immediately due and payable when home is sold or otherwise conveyed or upon death of borrower.

## OTHER CONDITIONS AND EXCEPTIONS

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- Loan to Value – City loan plus any preexisting mortgage loans cannot exceed 100% of tax value or after rehab value, as determined by an appraisal. Preexisting mortgage loans must be current and in good standing.
- Net Asset Limits- The limit for persons age 62 through 64 years is \$50,000. The limit for persons 65 years and older is \$60,000. The limit for families with a disabled person requiring a constant attendant is \$75,000.
- Taxes and Insurance – Property taxes and insurance must be current prior to or at closing and must be maintained throughout the term of the loan.
- Maximum Property Value – The value of the assisted property after rehabilitation, as determined by an appraisal, cannot exceed the FHA Single Family Mortgage (203b) limits for the Raleigh-Cary MSA, which is \$232,750.
- Property Standards – Borrower is responsible for the preparation of the specifications for the work to be performed and securing a contractor. The City staff is available to provide technical assistance to the Borrower in obtaining a specification writer and going through the process of obtaining a contractor. The property must meet the City's minimum property standards at the completion of the rehabilitation.
- Relocation Requirements – Federal relocation requirements generally do not apply to homeowner rehabilitation programs since participation is voluntary and usually does not involve permanent displacement. However, if the owner's home is a multi-unit structure with rental units the Uniform Relocation Act and possibly Section 104(d) cover the tenants.

## ADMINISTRATION

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To apply for a loan, you may call 919-996-4330, TTY/TDD: 919-890-3107, or visit our office at 310 West Martin Street, Room 101.